MINUTES



Joint Special Meeting

Reno City Council & Redevelopment Agency Board

Wednesday, May 7, 2014 ● 9:00 AM

Reno City Council Chamber, One East First Street, Reno, NV 89501

Robert A. Cashell, Sr., Mayor

Council Members:

Ward 1 – Jenny Brekhus Ward 4 – Dwight Dortch Ward 2 – Sharon Zadra Ward 5 – Neoma Jardon Ward 3 – Oscar Delgado At-Large – Hillary Schieve

- A Pledge of Allegiance
- **B** Observance of a Moment of Silence
- C Roll Call

Attendee Name	Title	Status	Arrived
Jenny Brekhus	Council Member	Present	
Oscar Delgado	Council Member	Present	
Neoma Jardon	Council Member	Present	
Hillary Schieve	Council Member	Present	
Robert Cashell	Mayor	Present	
Sharon Zadra	Council Member	Present	
Dwight Dortch	Vice Mayor	Present	

The meeting was called to order at 9:13 AM.

D Public Comment

The following seven (8) individuals presented Public Comment Forms requesting more funding for senior services, but did not wish to speak: 1) Barbara Pratt, 726 Evans Avenue #229; 2) Therese Class, 4175 Long Knife Road; 3) Rhonda Baskins, 2415 Spring Flower Drive; 4) Travis Post, 720 Hillcrest Drive; 5) Marsy Kupfersmith, 1001 South Meadows Parkway #1221; 6) Adam Hebenstreich, 720 Hillcrest Drive; 7) Kyle Waxman, 1001 South Meadows Parkway #222; and 8) Wayne Alexander, 2464 Blossom View Drive, Sparks.

The following two (2) individuals discussed the benefits of providing a robust senior services program: 1) Donna Clontz, 1940 Daylin Court; and 2) Nick Sharp, 865 Squaw Creek Court.

City Manager Clinger explained that funding for seniors has not been taken out of the budget but has been moved to another location within the budget. He said that last year senior services was allocated \$27,000, Mayor Cashell gave them an additional \$5,000 from his Council Contingency

funds, and senior services is scheduled to be budgeted at the same \$32,000 level next year.

Sam Dehne, Reno resident, presented his views on several subjects.

E Approval of the Agenda (For Possible Action) - May 7, 2014.

RESULT:APPROVED [UNANIMOUS]MOVER:Neoma Jardon, Council MemberSECONDER:Dwight Dortch, Vice Mayor

AYES: Brekhus, Delgado, Jardon, Schieve, Cashell, Zadra, Dortch

F Standard Department Items

F.1 Presentation, discussion and potential direction to staff regarding the proposed FY14/15 City of Reno Departmental Budgets, Redevelopment Agency Budget, and Capital Improvement Plan. 9:28 AM

Martha Gould, 1690 West 6th Street, sent an e-mail to the Mayor and Council supporting the work of the Reno Senior Citizen Advisory Committee, and requesting a funding increase for their activities.

Sam Dehne, Reno resident, presented his views on this issue.

Jacob Harmon, Regional Director of the Reno Alzheimer's Association, discussed the importance of senior services.

Vanessa Dixon, 450 North Wells Avenue #A228, Reno Senior Citizen Advisory Committee member, discussed the importance of senior services.

Curtis Rowe, 2180 Heavenly View Trail, Chair of the Building Enterprise Fund Advisory Committee (BEFAC), said that a year ago the Council asked BEFAC to evaluate the fees and processes affected by Community Development, and the Committee spent a lot of time on the analysis, including holding nine public meetings. He said that they evaluated the service versus the amount of required staff time, made a comparison of the City's fees and processes with competing jurisdictions, and through the year-long process prepared the proposal before the Council today. Mr. Rowe said that the Committee feels that the resultant fee alignment is reasonable and will make the City of Reno more competitive in the marketplace, and requested the Council's support for the plan.

City Manager/Executive Director Clinger said that unless the Council came to decisions today, another workshop would have to be scheduled.

Kate Thomas, Office of Management and Budget Director, presented an overview of follow up items from the April 23, 2014, budget workshop, beginning with the proposal

to take the revenue coming in from the fire-only inspections currently being conducted and allocating those revenues to the Fire Department as an on-going resource. Those Building Enterprise Fund revenues, she explained, will go towards the inspection positions the City has, which will in turn offset General Fund resources and enable the City to retain two additional firefighters, which would bring the number of firefighters funded on an on-going basis to 17.

Council/Board Member Dortch asked if funding the two additional firefighters will result in the opening of an additional fire station, and questioned whether the Council asked staff to do this.

City Manager/Executive Director Clinger said that this was a result of discussions held at the last budget workshop regarding the possibility of finding additional resources to fund additional firefighter positions. While this will not open another fire station, he said, it will add to the number of 'floater' positions in the Reno Fire Department (RFD). We are currently slated to have nine per shift, he said, and this will add two more to that rotation in order to cover both sick leave and vacation. Again, he said, we need to get clarity from the majority of the Council today on what you want us to do, because discussions at the last meeting did not result in formalized or specific motions.

Ms. Thomas reiterated that revenue that had been going into the Building Enterprise Fund for fire-only inspections would be reallocated to the RFD.

Council/Board Member Jardon noted that the City's Financial Advisory Board (FAB) has advised that: "The \$1 million in Fiscal Year 2015 savings from the payoff of the City Hall building debt should go to contingency to cover the projected losses in Fiscal Year 2016 and not be used to fund the proposed increase in new on-going expenditures [new fire]. The City should not incur the remaining proposed \$1.2 million increase in new on-going expenditures given the projected shortfall in 2016, and retention of the fire positions affected by the loss of the SAFER [Staffing for Adequate Fire and Emergency Response] Grant should be funded by savings generated by the Reno Fire Department."

Council/Board Member Brekhus said that the Enterprise Fund is governed by State law, there is a nexus in the proposed use of the funds, and using the funds in this way will relieve the General Fund and allow more firefighting resources whether or not it will open another fire station.

Council/Board Member Dortch said that keeping the two additional firefighters will do nothing to benefit public safety and will not result in keeping an additional fire station open.

Michael Hernandez, Fire Chief, discussed how additional personnel would be used to augment the 'floater' pool, which would help offset overtime expenditures.

Discussion ensued regarding the prudence of utilizing Building Enterprise Funds to retain two additional firefighters; concessions that have been made by the International Association of Fire Fighters (IAFF) Local #731; potential impacts on overtime expenditures of retaining two additional firefighters; potential RFD retirements; whether the members of the BEFAC have been advised of the proposed transfer of funds for fire service; revisiting and evaluating on an annual basis whether service delivery matches up with the commitment of Building Enterprise Fund revenues to this proposed solution; timeline issues related to making the service delivery evaluation; the Fire Chief's statement that the RFD's overtime budget would not be reduced by retaining an additional two 'floaters'; the prudence of 'taking from Peter to pay Paul' with an unknown variable that does not improve safety; and the nexus between overtime and the fire inspections.

Ms. Thomas discussed the breakdown of General Fund expenditures and benefits, including Other Post Employment Benefits (OPEB) and Annual Required Contribution (ARC) issues. She also presented a core services review, and information regarding the proposed Cal Neva Parking Garage improvements.

Discussion ensued regarding the repairs necessary to halt degradation of the Cal Neva Parking Garage (Garage); potential ownership of the Garage by the City of Reno; and Code issues related to owning the Garage.

Tracy Chase, Chief Deputy City Attorney, presented an overview the City Attorney's Office risk management responsibilities.

Council/Board Member Brekhus discussed her concern that the City's risk management function is not as robust as it should be, particularly with regard to training and risk prevention, and suggested that the City Attorney's Office was probably not the best place to house that function. She noted that the City Attorney's Office currently has a vacancy for a deputy city attorney in the civil division, and suggested that the deputy city attorney who has been performing risk management duties return to those functions and the risk manager position be moved under the City Manager.

City Manager/Executive Director Clinger noted that while he would like to have a permanent, full time risk manager, there were other City departments were also no longer as robust as they once were because of the recession (e.g., purchasing and internal auditor). He said that the City might, if they had the resources, hire a risk manager, but risk management functions were being accomplished quite well under the purview of the City Attorney's Office.

Ms. Chase noted that risk management functions were performed by several members of the City Attorney's Office, and each of those employees was paid partially by Risk Fund monies. Ms. Thomas presented specifics regarding the Downtown Pride Program objectives, resources dedicated to the program, and room tax fund allocations.

Council/Board Member Brekhus suggested that beyond safety and infrastructure, parks rather than special events should be given funding priority in future budget years.

Discussion ensued regarding the importance of special events and their correlation to the generation of room tax revenue. It was agreed that special events serve as large economic generators for the City of Reno, and that their funding had already been substantially cut since the recession.

Ms. Thomas discussed the distribution of Reno Police Department (RPD) full time equivalents, and the generation of parking meter revenue since 2006.

Cindy Lemmer, Office of Management and Budget Analyst, presented an overview of the proposed fee schedule changes.

Discussion ensued regarding meetings Community Development staff have held with BEFAC, Chamber of Commerce, and Associated General Contractors (AGC) representatives to analyze the City's planning and engineering fees; the approximately \$400,000 it would cost in General Fund monies to align the fees to the services actually being delivered; Community Development staffing issues; return on investment projections; fire inspection fees that are bundled into the building permit application fee; a proposed new program that will allow builders to defer the payment of fees; quantifying discretionary review fees; complaints regarding the high cost of up-front fees and the length of time it takes to complete the process; whether cuts in revenue would increase the length of time it takes businesses to get through the process because of in-house planning and development staffing shortages; unnecessary processes that could be eliminated if the City had an ideal planning framework; bringing the Special Use Permit (SUP) fee in line with other fees; whether the proposed fee cuts go far enough to make Reno competitive with the other entities (when development stops, the City's General Fund takes a huge hit); the Council's policy decision that must be made regarding whether to align the fees to cover the full amount spent on staff time and materials associated with the planning and engineering process, or whether the City should cover some of the costs of providing the services; the possibility of revising Code to eliminate a lot of the SUPs and instead use design standards to condition projects; handling through the business license rather than SUP process requests for 11:00 p.m. to 6:00 a.m. operating hours; return on investment issues related to using \$400,000 from the General Fund to lower planning and engineering fees; and concerns about removing the ice skating fees from the fee schedule and having the Baseball Stadium operate the ice rink.

A RECESS WAS CALLED AT 11:04 A.M. AND UPON RECONVENING AT 1:01

P.M., ALL WERE PRESENT.

Candice Pearce, 1954 Greenfield Drive, discussed her concerns about taking away funding from the ice rink.

Bill Thomas, Assistant City Manager, explained the proposal to relocate the ice rink during construction of the Virginia Street Bridge.

Mark Markel, Reno resident, questioned why the City was discussing the purchase of the Cal Neva Parking Garage when firefighters were being laid off.

Frank Avera, Office of Management and Budget Analyst, presented an overview of tentative budget for Reno Redevelopment Areas #1 and #2 (RDA1 and RDA2).

Discussion ensued regarding Parking Gallery expenses and revenues; history of the Parking Gallery purchase; whether the CB Richard Ellis (CBRE) analysis included a pro forma on the Parking Gallery; whether the Washoe County District Attorney's Office has the authority to enter into a tolling agreement with baseball (Nevada Land, LLC); and whether baseball has to stay in good standing with all agencies.

Maureen McKissick, Strategic Development Administrator, presented an overview of the 2004 community visioning process, changes that have occurred since 2004, and the proposal to build a new plan for the future.

Discussion ensued regarding making the 'Biggest Little City' campaign part of the visioning process; involving the entire community in the visioning process; use of community engagement funds; hiring consultants on an as-needed basis; managing the process and monitoring the expenditure of funds in-house; public outreach efforts; and the need to utilize volunteers such as ex-Neighborhood Advisory Board (NAB) members to help the City achieve project goals.

Donna Clontz, 1940 Daylin Court, urged the Council to actively involve former NAB members and Reno Citizens Institute (RCI) graduates in the process.

Council/Board Member Jardon noted that former NAB and current Community Forum meetings were not well-attended, and suggested that more success could be achieved by finding out where groups (e.g., Rotary, church group, Home Owners Association, etc.) were already gathering and taking the message to them.

THIS ITEM WAS DISCUSSED AGAIN LATER IN THE MEETING (AFTER ITEM F.2).

Mike Dillon, 5484 Reno Corporate Drive, Executive Director of the Builders Association

of Northern Nevada, stated his opposition to the proposal to shift funds from the Building Enterprise Fund for other purposes that appear to be fire related. He said that the issue should be brought to the BEFAC to ensure that all of the stakeholders have an opportunity to hear and discuss the proposal, and questioned why the stakeholders were not informed that this would be a topic on today's agenda.

Council/Board Member Brekhus and City Manager/Executive Director Clinger explained that there had not been enough time to get the proposal on a BEFAC agenda.

Council/Board Member Brekhus said that at some point in time the City Council dedicated their \$1.9 million in Truckee Meadows Water Authority (TMWA) right-of-way franchise fees to the road budget for local road projects, they do that in addition to a long-standing property tax override, and \$1.9 million equates to 13 or 14 firefighters. Ms. Brekhus said that in 2010 Washoe County voters agreed to tax themselves for transportation, a lot of resources have been generated that are not helping fund the City's road projects, and the City should allocate the \$1.9 million they are paying out of their funds for road projects to fire. Council/Board Member Brekhus said that in 2010, when the voters agreed to tax themselves for transportation, the Regional Transportation Commission (RTC) was getting \$3.2 million, last year the pot of money dedicated for transportation dollars went up to \$24 million, and in the 2014 budget is projected to be \$32 million.

Council/Board Member Brekhus suggested that the Council dedicate the \$1.9 million in TMWA right-of-way fees to maintain whatever firefighters are on the layoff list, and request that the City's representatives make a case to the RTC Board to allocate some of the increment over next year's fiscal RTC money for local roads to the City of Reno (and perhaps also Sparks and Washoe County).

Council/Board Member Schieve asked what effect that would have on Reno's roads, and Council/Board Member Brekhus said that it would impact Reno's roads if the money were not brought out of the RTC budget for local roads this year. Ms. Brekhus said that she was willing for one year to buy a little more time for the firefighters.

Council/Board Member Jardon, RTC Board Member, said that RTC is a regional board and requires regional support for an action such as this. She said that it was a temporary fix in terms of layoffs, and loss of the SAFER Grant demonstrated the situation created by relying on a temporary fix. Ms. Jardon said that the City is working with their regional partners at RTC to gain ground for long-term sustainable funding, and questioned whether doing something in a somewhat soloed manner will jeopardize the work they have already done. She reiterated that this action would only band-aid something that needs a long-term solution.

Council/Board Member Zadra, Vice Chair of the RTC Board, reiterated that the RTC

Board is examining region-wide solutions to the funding issue.

Tracy Chase, Chief Deputy City Attorney, cautioned that any action taken on this issue would require separate noticing.

Council/Board Member Delgado said that he was also concerned about a short-term solution to a long-term problem.

City Manager/Executive Director Clinger said that if the \$1.9 million that comes into the fund were to be pulled from next year's \$2.5 million Streets Program budget, that budget would be reduced to \$600,000. To put that into perspective, he said, the identified amount our streets need on an annual basis is \$14 million, and if the RTC funds did not materialize, the street fund would take a significant hit.

Ms. Thomas stated that taking the \$1.9 million from the streets budget would effectively eliminate Reno's Neighborhood Streets Program.

Council/Board Member Dortch said that while he appreciated that Ms. Brekhus at least came up with a proposal for saving some of the RFD positions, he did think the street fund should be gutted any farther than it already had been. He challenged anyone else who had voted against the 35 layoffs to present a proposal that would save the necessary \$4 million to prevent them.

Council/Board Member Schieve said that they should look at property tax from baseball, and stated that there are a lot of different ways to skin a cat.

Mr. Dillon and City Manager/Executive Director Clinger discussed placing the reallocation of funds issue on the next BEFAC meeting agenda.

A RECESS WAS CALLED AT 2:33 P.M. AND UPON RECONVENING AT 2:44 P.M., ALL WERE PRESENT.

Discussion ensued regarding whether there was any appetite for the Council to move forward with discussions about using the \$1.9 million to temporarily fund 16 or 17 additional RFD positions.

Ms. Chase noted that it should be understood that any action taken today would have to be brought back at the May 20, 2014, budget hearing.

Council/Board Member Brekhus said that she was not prepared to modify the budget as presented to the Council.

Council/Board Member Dortch suggested that staff initiate discussions to determine

where additional rescue units might be placed, and explore the possibility of contacting those services with REMSA.

The Council/Board Members agreed that staff should return with BEFAC's recommendation regarding the use of Enterprise Funds to retain two additional firefighters. City Manager/Executive Director Clinger noted that the issue could be brought back on a regular council agenda.

Council/Board Member Delgado stated that he would prefer to vote on the two additional positions today.

It was moved by Council/Board Member Zadra, seconded by Council/Board Member Delgado to accept the staff recommendation that there is funding in the coming year's budget for 15 additional fire personnel.

Motion carried.

It was moved by Council/Board Member Zadra, seconded by Council/Board Member Jardon to direct that staff bring back for a vote at the May 14, 2014, Council meeting the recommendation of the Building Enterprise Fund Advisory Committee with respect to the proposal to transfer revenue for fire-only inspections in the Building Enterprise Fund to the Reno Fire Department's budget for the purpose of saving an additional two firefighter positions.

Motion carried with Council/Board Member Delgado voting nay.

It was moved by Council/Board Member Brekhus, seconded by Council/Board Member Schieve to move the \$1.9 million from the Truckee Meadows Water Authority toll to the Reno Fire Department budget to save up to 17 firefighter positions.

Council/Board Members Jardon, Zadra, and Dortch reiterated their concerns about taking this action.

Motion failed with Council/Board Members Zadra, Delgado, Dortch and Jardon and Mayor Cashell voting nay.

Discussion ensued regarding the substantial savings that could be realized by exploring the core services issue.

It was moved by Council/Board Member Brekhus, seconded by Council/Board Member Jardon to move forward with the staff

recommendation with respect to the review of core services, starting with fleet and then examining other public works functions and then parks.

Motion carried.

It was moved by Council/Board Member Dortch, seconded by Council/Board Member Brekhus to set aside \$160,000 in a contingency fund for Cal Neva Parking Garage repairs, and direct staff to bring back the possibility of purchasing the garage at a future meeting.

Motion carried.

Discussion ensued regarding the prudence of shifting risk management responsibilities from the City Attorney's Office to the City Manager's Office.

It was moved by Council/Board Member Dortch, seconded by Council/Board Member Zadra to uphold the staff recommendation for funding the Risk Division in the City Attorney's Office.

Motion carried.

It was moved by Council/Board Member Jardon, seconded by Council/Board Member Delgado to uphold the staff recommendation with respect to the Downtown Pride Program.

Motion carried.

It was moved by Council/Board Member Delgado, seconded by Council/Board Member Jardon to uphold the staff recommendation with respect to room tax allocations.

Motion carried.

Discussion ensued regarding the possibility of further reducing the Special Use Permit (SUP) fee from the proposed \$3,700 to \$2,500, and addressing SUP requirement triggers in Code.

It was moved by Council/Board Member Jardon, seconded by Council/Board Member Zadra to reduce the SUP fee to \$2,500 and reinstate the skating fees in the fee schedule.

Motion carried.

It was moved by Council/Board Member Dortch, seconded by Council/Board Member Delgado to uphold the staff recommendation with respect to the Redevelopment Agency #1 and #2 Budget.

Motion carried.

It was moved by Council/Board Member Brekhus, seconded by Council/Board Member Jardon to convene the May 20, 2014, budget hearing at 1:30 p.m. instead of 3:00 p.m.

Motion carried.

[Note: In a memorandum dated May 8, 2014, the City Manager noted that the May 20, 2014, meeting also serves as the public hearing for the Special Assessment Districts (SAD), and recommended that the budget adoption remain at the 1:30 p.m. time set by the Council and, depending on the timing of the meeting, have the 3:00 p.m. time remain for the SAD hearing.]

F.2 **Resolution No. 7970**: Staff Report (For Possible Action): Resolution No.

______ Resolution of the City Council of the City of Reno authorizing the City Manager, or his designee, to establish a 2014 Limited Voluntary Early Retirement-Resignation Program for Public Safety Employees in the Reno Fire Department and authorizing the City Manager to take all necessary and appropriate actions to implement this Resolution. 1:51 PM

Recommendation: Staff recommends Council adopt Resolution No. _____.

Proposed Motion: I move to adopt Resolution No. _____.

THIS ITEM WAS DISCUSSED AND THE RESOLUTION WAS ADOPTED BEFORE ANY ACTION WAS TAKEN ON ITEM F.1.

Robert Chisel, Finance Director, presented an overview of the Staff Report.

Discussion ensued regarding how many Reno Fire Department (RFD) personnel would qualify for the Limited Voluntary Early Retirement/Resignation Program (capped at 13 - \$260,000 limit); how many RFD personnel currently have over 15 years of service (104 employees); the proposed net result of the program (number of boots on the ground would remain the same); separation costs that would be incurred for those employees who would be retiring and those who would be laid off; pay differentials between senior and junior firefighters (varies, but approximately \$30,000 to \$40,000); whether an analysis was done on previous buy-outs to determine whether they achieved the results the City had hoped they would achieve (no, but under that program employees bought years and Public Employment Retire System (PERS) time, and this was a direct cash

payment, which is somewhat easier to quantify); and whether this was the way to go about retaining some of the 35 firefighters slated to be laid off.

It was moved by Council/Board Member Dortch, second by Council/Board Member Delgado to adopt Resolution No. 7970.

Council/Board Member Zadra stated that this is not the right approach to take, and those employees who already expressed an interest in retiring should do so because it is the right thing to do and not because they will be paid to do it. She explained that it could not be demonstrated that previous early buy-outs had performed in the way the City hoped that they would, which left the Council with no information on which to base this decision other than the 'hope' that these people will take advantage of the option in order to save more people from being laid off. The net result in the service level to our community is not improved by this action, she continued, and we will have the same number of people and the same number of fire stations open.

Mr. Chisel, Mayor/Chairman Cashell, and Council/Board Member Dortch explained how the buyout program would save money by reducing separation costs.

Discussion ensued regarding the inability to quantify the amount that would be saved without knowing which employees would take advantage of the early retirement/resignation program; how the \$20,000 buyout figure was reached; and the benefits of avoiding separation costs.

Council/Board Member Brekhus said that it was premature to vote on the resolution because the Council had not yet closed out the discussion on the RFD budget (Item F.1), and Council/Board Member Schieve agreed.

Council/Board Member Dortch said that this was a separate issue and was not related to the RFD budget, and Council/Board Member Delgado agreed.

Discussion ensued regarding whether and how the retirement/resignation program would affect RFD budget.

Motion carried with Council/Board Members Brekhus, Zadra and Schieve voting nay.

RESULT: ADOPTED [4 TO 3]

MOVER: Dwight Dortch, Vice Mayor

SECONDER: Oscar Delgado, Council Member

AYES: Oscar Delgado, Neoma Jardon, Robert Cashell, Dwight Dortch

NAYS: Jenny Brekhus, Hillary Schieve, Sharon Zadra

G Public Comment

NO ACTION WAS TAKEN ON THIS ITEM.

H Adjournment (For Possible Action)

THE MEETING WAS ADJOURNED AT 3:25 P.M.